

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**SIXTEENTH MONTHLY FEE STATEMENT OF FTI CONSULTING, INC. FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS FINANCIAL ADVISOR TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS FOR THE PERIOD FROM
FEBRUARY 1, 2020 THROUGH FEBRUARY 29, 2020**

Name of Applicant:

FTI Consulting, Inc.

Authorized to provide Professional Services
to:

Official Committee of Unsecured Creditors

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Date of Retention: December 19, 2018, *nunc pro tunc* to
October 25, 2018

Period for which compensation and February 1, 2020 through February 29,
reimbursement is sought: 2020

Monthly Fees Incurred: \$23,900.00

Monthly Expenses Incurred: \$60.00

Total Fees and Expenses: \$23,960.00

This is a: X monthly _____interim _____final application

This statement (the “**Fee Statement**”) of FTI Consulting, Inc. (together with its wholly owned subsidiaries and independent contractors, “**FTI**”) as financial advisor to the Official Committee of Unsecured Creditors of Sears Holdings Corporation, *et al.* (the “**Committee**”) is submitted in accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No.796] entered on November 16, 2018, (the “**Order**”). In support of this Fee Statement, FTI respectfully states as follows.

1. The fees and expenses for the period from February 1, 2020 through and including February 29, 2020 (the “**Sixteenth Fee Period**”) amount to:

Professional Fees	\$23,900.00
Expenses	<u>60.00</u>
TOTAL	<u>\$23,960.00</u>

2. In accordance with the Order, if no timely and proper objection is made by a party-in-interest within fifteen (15) days after service of this Fee Statement, the Debtors are authorized to pay 80% of professional fees and 100% of out-of-pocket expenses. These amounts are presented below.

Professional Fees at 80%	\$19,120.00
Expenses at 100%	<u>60.00</u>
TOTAL	<u>\$19,180.00</u>

3. The professionals providing services, hourly billing rates, the aggregate hours worked by each professional, and the aggregate hourly fees for each professional during the Sixteenth Fee Period are set forth on the schedule annexed hereto as **Exhibit “A.”**

4. A summary of aggregate hours worked and aggregate hourly fees for each task code during the Sixteenth Fee Period is set forth on the schedule annexed hereto as **Exhibit “B.”**

5. Detailed time entry by task code during the Sixteenth Fee Period is set forth on the schedule annexed hereto as **Exhibit “C.”**

6. A summary of expenses incurred during the Sixteenth Fee Period is set forth on the schedule annexed hereto as **Exhibit “D.”**

7. Detailed breakdown of the expenses incurred during the Sixteenth Fee Period is set forth on the schedule annexed hereto as **Exhibit “E.”**

8. FTI reserves the right to request, in subsequent fee statements and applications, any fees and reimbursement of any additional expenses incurred during the Sixteenth Fee Period, as such fees and expenses may not have been captured to date in FTI’s billing system.

NOTICE AND OBJECTION PROCEDURES

9. Notice of this Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Mohsin Y. Meghji (email: mmeghji@miiipartners.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); and (iv) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com); (v) Paul E. Harner, fee examiner, 1675 Broadway, New York, NY 10019 (email: harnerp@ballardspahr.com); and (vi) counsel to the fee examiner, Ballard Spahr LLP, 1675 Broadway, New York, NY 10019, Attention: Vincent J. Marriott (email: marriott@ballardspahr.com) and Tobey M. Daluz (email: daluzt@ballardspahr.com) (collectively, the “Notice Parties”).

10. Objections to this Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than April 27, 2020 (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

11. If no objections to this Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

12. If an objection to this Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of this Fee Statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. To the extent such an objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

Dated: New York, New York
April 10, 2020

FTI CONSULTING, INC.
Financial Advisors to the Official Committee of
Unsecured Creditors of Sears Holdings Corporation

By: /s/ Matthew Diaz
Matthew Diaz, Senior Managing Director
Three Times Square, 10th Floor
New York, New York 10036
Telephone: (212) 499-3611
Email: matt.diaz@fticonsulting.com

EXHIBIT A**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****SUMMARY OF HOURS BY PROFESSIONAL****FOR THE PERIOD FEBRUARY 1, 2020 TO FEBRUARY 29, 2020**

Professional	Position	Specialty	Billing Rate	Total Hours	Total Fees
Diaz, Matthew	Senior Managing Director	Restructuring	\$ 1,085	1.1	\$1,193.50
Nelson, Cynthia A	Senior Managing Director	Restructuring	\$ 1,085	3.0	3,255.00
Star, Samuel	Senior Managing Director	Restructuring	\$ 1,125	0.7	787.50
Eisler, Marshall	Senior Director	Restructuring	\$ 835	6.7	5,594.50
Kim, Ye Darm	Consultant	Restructuring	\$ 455	17.0	7,735.00
Shapiro, Jill	Consultant	Restructuring	\$ 415	11.1	4,606.50
Hellmund-Mora, Marili	Associate	Restructuring	\$ 280	2.6	728.00
TOTAL				42.2	\$23,900.00

EXHIBIT B**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****SUMMARY OF HOURS BY TASK****FOR THE PERIOD FEBRUARY 1, 2020 TO FEBRUARY 29, 2020**

Task Code	Task Description	Total Hours	Total Fees
5	Real Estate Issues	3.0	\$ 3,255.00
17	Wind Down Monitoring	19.4	\$ 11,524.00
18	Potential Avoidance Actions & Litigation	10.2	\$ 4,589.00
19	Case Management	1.3	\$ 1,438.50
24	Preparation of Fee Application	8.3	\$ 3,093.50
TOTAL		42.2	\$ 23,900.00

EXHIBIT C

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

DETAIL OF TIME ENTRIES

FOR THE PERIOD FEBRUARY 1, 2020 TO FEBRUARY 29, 2020

Task Category	Date	Professional	Hours	Activity
5	2/7/2020	Nelson, Cynthia A	0.7	Participate in internal meeting to discuss settlement re: reimbursements for property repairs from insurance proceeds.
5	2/13/2020	Nelson, Cynthia A	0.3	Review update on settlement.
5	2/17/2020	Nelson, Cynthia A	0.2	Respond to inquiry re: sales of certain real estate assets.
5	2/20/2020	Nelson, Cynthia A	0.3	Review proposed sale.
5	2/20/2020	Nelson, Cynthia A	0.5	Review approach for proposed sale.
5	2/21/2020	Nelson, Cynthia A	0.3	Provide response to Debtors on proposed sale.
5	2/26/2020	Nelson, Cynthia A	0.4	Review update on certain asset sales.
5	2/27/2020	Nelson, Cynthia A	0.3	Review asset sale proposal from Debtors.
5 Total			3.0	
17	2/5/2020	Kim, Ye Darm	1.4	Review settlement terms from M-III re: certain claims.
17	2/6/2020	Kim, Ye Darm	0.5	Participate in call with M-III re: certain claims settlement.
17	2/6/2020	Kim, Ye Darm	0.7	Prepare for call with M-III re: certain administrative claims settlement.
17	2/6/2020	Shapiro, Jill	0.5	Review settlement terms from M-III re: certain claims.
17	2/14/2020	Eisler, Marshall	1.4	Provide update to Akin memo re: Computer share's role in certain transaction.
17	2/19/2020	Kim, Ye Darm	1.6	Analyze the Debtors' Non-Opt Out reconciliation summary to assess changes in administrative claims pool.
17	2/21/2020	Diaz, Matthew	0.5	Review analysis of the Debtors' Non-Opt Out reconciliation summary to assess changes in administrative claims pool.
17	2/21/2020	Kim, Ye Darm	1.0	Review the latest Non-Opt Out reconciliation analysis provided by the Debtors.
17	2/21/2020	Kim, Ye Darm	0.8	Prepare summary of call with M-III re: Non-Opt-Out claims and proposed convenience class.
17	2/21/2020	Kim, Ye Darm	0.8	Participate in call with M-III re: Non-Opt Out Claims reconciliation and proposed convenience class.

EXHIBIT C

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

DETAIL OF TIME ENTRIES

FOR THE PERIOD FEBRUARY 1, 2020 TO FEBRUARY 29, 2020

Task Category	Date	Professional	Hours	Activity
17	2/21/2020	Eisler, Marshall	1.9	Evaluate need for convenience class as proposed by M-III.
17	2/21/2020	Shapiro, Jill	1.3	Review Non-Opt Out reconciliation and proposed convenience class as provided by M-III.
17	2/21/2020	Shapiro, Jill	1.0	Participate in call with M-III re: Non-Opt Out reconciliation and proposed convenience class.
17	2/24/2020	Kim, Ye Darm	1.3	Analyze potential convenience class recovery scenarios.
17	2/25/2020	Eisler, Marshall	1.1	Analyze proposed convenience class structure provided by M-III.
17	2/26/2020	Shapiro, Jill	0.6	Prepare analysis re: proposed Convenience Class.
17	2/27/2020	Eisler, Marshall	2.3	Prepare for and participate in call with M-III re: convenience class structure.
17	2/27/2020	Shapiro, Jill	0.7	Participate in call with M-III re: proposed Convenience Class.
17 Total			19.4	
18	2/13/2020	Kim, Ye Darm	1.9	Review Counsel's memorandum.
18	2/14/2020	Kim, Ye Darm	2.5	Review prospectus to analyze flow of funds.
18	2/14/2020	Kim, Ye Darm	1.5	Participate in internal discussion re: Counsel's memo.
18	2/14/2020	Kim, Ye Darm	1.1	Draft response to Counsel's memo.
18	2/24/2020	Shapiro, Jill	0.7	Prepare capital structure analysis.
18	2/25/2020	Kim, Ye Darm	0.6	Review capital structure analysis.
18	2/25/2020	Kim, Ye Darm	1.3	Analyze debt holdings.
18	2/25/2020	Shapiro, Jill	0.6	Continue to prepare capital structure analysis.
18 Total			10.2	
19	2/17/2020	Diaz, Matthew	0.6	Review case work streams and open items to determine next steps.

EXHIBIT C

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

DETAIL OF TIME ENTRIES

FOR THE PERIOD FEBRUARY 1, 2020 TO FEBRUARY 29, 2020

Task Category	Date	Professional	Hours	Activity
19	2/26/2020	Star, Samuel	0.7	Participate in internal meeting re: case status and assessment of administrative creditor convenience class proposal for Non-Opt Out claims.
19 Total			1.3	
24	2/3/2020	Shapiro, Jill	0.2	Prepare December fee application.
24	2/4/2020	Hellmund-Mora, Marili	0.5	Generate fee estimate in connection with reporting budget.
24	2/4/2020	Shapiro, Jill	0.3	Continue to prepare the December fee application.
24	2/4/2020	Shapiro, Jill	0.4	Prepare weekly fee estimate.
24	2/5/2020	Shapiro, Jill	0.5	Continue to prepare the December fee application.
24	2/6/2020	Shapiro, Jill	0.3	Update the December fee application to meet fee examiner guidelines.
24	2/7/2020	Shapiro, Jill	0.5	Continue to update the December fee application to meet fee examiner guidelines.
24	2/11/2020	Shapiro, Jill	0.6	Prepare weekly fee estimate.
24	2/18/2020	Hellmund-Mora, Marili	0.5	Generate fee estimate in connection with reporting budget.
24	2/18/2020	Shapiro, Jill	0.4	Prepare weekly fee estimate.
24	2/21/2020	Hellmund-Mora, Marili	0.6	Prepare the January fee application.
24	2/24/2020	Shapiro, Jill	0.4	Prepare the January fee application.
24	2/25/2020	Hellmund-Mora, Marili	1.0	Incorporate updates to the January fee application.
24	2/25/2020	Shapiro, Jill	0.3	Prepare weekly fee estimate.
24	2/25/2020	Shapiro, Jill	0.4	Continue to prepare the January fee application.
24	2/27/2020	Shapiro, Jill	1.0	Prepare January fee application.
24	2/28/2020	Shapiro, Jill	0.4	Prepare January fee application.

EXHIBIT C**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538****DETAIL OF TIME ENTRIES****FOR THE PERIOD FEBRUARY 1, 2020 TO FEBRUARY 29, 2020**

Task Category	Date	Professional	Hours	Activity
24 Total			8.3	
Grand Total			42.2	

EXHIBIT D

**SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538
SUMMARY OF EXPENSES
FOR THE PERIOD FEBRUARY 1, 2020 TO FEBRUARY 29, 2020**

Expense Type	Amount
Working Meals ¹	\$ 60.00
Grand Total	\$ 60.00

¹Overtime meals over \$20.00 have been reduced to \$20.00.

EXHIBIT E

SEARS HOLDINGS CORPORATION, et al. - CASE NO. 18-23538

EXPENSE DETAIL

FOR THE PERIOD FEBRUARY 1, 2020 TO FEBRUARY 29, 2020

Date	Professional	Expense Type	Expense Detail	Amount
1/6/2020	Eisler, Marshall	Working Meals	Dinner while in the office working late on the Sears case.	\$20.00
1/6/2020	Shapiro, Jill	Working Meals	Dinner while in the office working late on the Sears case.	20.00
2/5/2020	Kim, Ye Darm	Working Meals	Dinner while in the office working late on the Sears case.	20.00
Working Meals Total				60.00
Grand Total				\$60.00